

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 407**

January 27, 2021

**SUMMARY OF BILL:** Authorizes subdivision plot developers to negotiate the sale of or agree to sell lots within a subdivision plat prior to receiving final approval by the regional or municipal planning commission.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 13-3-403 through § 13-3-410 and § 13-4-303 through § 13-4-306, regional and municipal planning commissions:
  - Adopt regulations governing the subdivision of land within their jurisdictions;
  - May require the installation of certain infrastructure improvements such as roads, water, and sewer prior to receiving final approval of a subdivision plat, or final approval may be granted prior to such installation if a surety bond is provided insuring the completion of such infrastructure;
  - Prohibit owners of land within a subdivision plat to transfer, sell, or negotiate the sale of land prior to the subdivision plat receiving final approval.
- The proposed language would authorize subdivision plat developers to negotiate the sale of plats, or agree to sell plats, prior to the final approval of the subdivision plat; however final approval of the subdivision plat would be required prior to the close of the sale of such plat.
- Authorizing such negotiation prior to final subdivision plat approval is not estimated to result in any significant fiscal impact to local government.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

Bojan Savic, Interim Executive Director

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